

A STUDY ON GLOBAL HUMAN CAPITAL & ITS TRENDS: HOW TO TRANSFORM AND DESIGN ORGANIZATIONS INTO HIGH PERFORMERS

E. SIVA KALYAN KUMAR & M V V BHANU

Assistant Professor, MVGR College of Engineering (Autonomous), Andhra Pradesh, India

ABSTRACT

In any organization the key is always the available human resources only and it is the prime motive of any successful organization is to develop and retain them. Successful organizations are making radical changes to meet the global competitive challenge that includes reshaping the workforce, workplace and work processes. As, per the Human Capital Trends Survey 2016, identifies the need of Re-designing of the organization in the terms of Teams, Leadership, Culture and Learning and Development Programmes. Now days most of the organizations are highly investing on Long term Human Capital Planning for the benefit of the country in the long – run as well as to become more competitive.

This Study is purely secondary and mainly undertaken to study the changes in the Human Capital Trends over the years and how it has impacted the overall functionality of the organizations across the Globe and thrown warning signals to the organizations in closing gap between the pace of change and the challenges of work and talent Management.

KEYWORDS: *Human Capital & Organization*

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INTRODUCTION

According to Global Human Capital Trends (2017)

Sweeping global forces are reshaping the workplace, the workforce, and work itself. The main struggle that majority of the organizations face is how to engage the employees, retain them, creating a better cross-culture so that the organizations can survive in this competitive global world. The issues that was indicated above should be addressed either for designing or re-designing of the organizations. Due to the rise of Automation and technological advancements in each and every sector resulting in employment cuts, disturbed employer-employee relationship, changes in the Hr-functions are to be carefully dealt.

As, Per the Deloitte Human Capital Trends Report (2016)

which is based on 7,000 responses collected from 130 Countries around the world listed some of the Trends that are re-shaping the organizations are discussed in further.

The First question here to be asked is what is Human Capital why should organizations has to re-design and what are the factors responsible for it, and what is the cost and impact on the overall functionality has to be considered. Amidst the changes, Hr-functions that are practiced are the key in the organizations. And the role of HR – Managers has also evolved much from employee control to employee champion.

What is Human Capital?

In any organization the key assets are the available workforce higher the development of the workforce better will be results. Human Capital refers the overall skills, abilities, knowledge and experiences that are possessed by the individual workers or the entire population in an organization. Any thing that is incurred by the organization on the Human Resources must be viewed as an Investment rather than Expense.

MEASURING HUMAN CAPITAL

According to the World Economic Forum Insight Report (2016)

Any Nation's prosperity mainly depends on its Human Capital only because these human resources only will add value to any nation's development. If we observe carefully the differences between developed and developing and under-developed countries is mainly due to the effective development and utilization of the Human Capital.

To develop Human Capital proper investments should be incurred by the respective Nation's Governments starting from Primary school education, creating better employment opportunities, skills up gradation etc. As discussed above any investment that is made in Human Capital should be viewed as Investment only, because the benefits will be reaped in the longer-run. For-Example: After, the Second World War Japan's Economy was totally collapsed and economic experts also viewed that revival is difficult. Within a very shorter period Japan stood as in second place in the terms of technological, innovations and business advancements. Not only Japan almost all the East Asian Economies has transformed themselves into mighty powers because of very high human potentiality. (China, Japan, South Korea, North-Korea, Taiwan, and Hong-Kong etc.). The resources must be leveraged efficiently to generate better returns not only to the individual but also for entire respective economies as a whole.

The entire data and observations indicated in this paper is based on the data collected from Last year **according to the World Economic Forum the Human Capital Report 2015**. In this report four critical factors are studied which is indicated below.

- **0–14 Years** – Educational Assessment is taken as the key parameter.
- **15–24 Years** – Higher Education and Skill Potenciality among the youth is the key parameter.
- **25–54 Years** – Employment Opportunities is the key parameter.
- **55–64 Years** – Continuous engagement
- **65 and Over Years** – the oldest members of the population, for whom the Health Parameter is considered.

The following table presented below indicates the list of various Countries' Human Capital Index rankings by the World Economic Forum Report, 2016

Table 1: Human Capital Index Country Rankings

Overall Index			0–14 Age Group		15–24 Age		25–54 Age		55–64 Age		65andOverAge	
Country	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Finland	85.86	1	98.17	1	85.35	1	81.24	1	83.90	7	72.95	9
Norway	84.64	2	94.69	11	84.72	2	80.11	4	85.34	3	74.53	2
Switzerland	84.61	3	95.76	7	83.34	4	80.51	2	83.54	8	73.28	7
Japan	83.44	4	95.78	6	77.26	19	79.13	5	85.72	1	75.61	1
Sweden	83.29	5	93.25	14	81.03	9	80.17	3	84.58	4	70.43	16
New Zealand	82.79	6	95.20	9	82.25	7	76.25	17	85.70	2	74.07	3
Denmark	82.47	7	91.77	22	81.89	8	78.17	8	83.99	6	74.04	4
Netherlands	82.18	8	92.81	17	83.70	3	77.58	10	81.06	13	69.59	18
Canada	81.95	9	93.46	13	77.74	16	77.61	9	84.22	5	73.05	8
Belgium	81.59	10	95.29	8	78.25	13	77.55	11	78.33	27	68.32	23
Germany	81.55	11	89.56	38	79.78	10	78.39	7	83.31	9	73.54	6
Austria	81.52	12	92.29	20	82.41	6	76.75	15	79.06	23	72.00	12
Singapore	80.94	13	95.81	5	76.12	25	78.70	6	75.17	39	60.59	52
Ireland	80.79	14	95.87	4	75.84	29	76.32	16	78.16	28	67.77	26
Estonia	80.63	15	95.09	10	77.35	18	74.02	24	82.98	10	71.77	13
Slovenia	80.33	16	92.90	16	79.13	12	75.30	20	77.04	32	71.39	14
France	80.32	17	93.07	15	76.00	26	77.32	12	77.59	30	66.32	31
Australia	80.08	18	91.36	24	82.56	5	74.33	22	80.85	15	67.27	27
United	80.04	19	91.91	21	76.64	22	76.78	14	79.07	22	66.43	30
Iceland	79.74	20	93.85	12	79.63	11	75.78	18	74.62	40	60.30	54
Lithuania	79.34	21	92.38	19	75.87	28	74.25	23	81.24	12	68.30	24
Luxembourg	79.28	22	91.33	26	73.46	36	77.24	13	75.74	36	66.45	29
Israel	78.99	23	89.56	37	76.75	21	75.39	19	79.78	20	67.05	28
United States	78.86	24	88.97	39	75.99	27	74.91	21	80.62	16	70.32	17
Czech	78.45	25	89.66	36	77.49	17	73.72	25	78.43	25	68.38	22
Ukraine	78.42	26	90.73	28	78.04	15	71.83	32	79.14	21	72.21	10
Latvia	78.13	27	88.79	41	76.24	24	72.79	27	80.58	17	72.10	11
Russian	77.86	28	86.95	53	78.21	14	72.74	28	80.46	18	71.14	15
Kazakhstan	77.57	29	91.01	27	75.45	30	70.91	36	80.95	14	68.78	21
Poland	77.34	30	90.66	29	74.67	34	72.53	29	76.12	34	65.61	32
Cyprus	76.97	31	91.33	25	71.05	52	73.36	26	74.23	45	63.98	36
Korea, Rep.	76.89	32	90.34	31	75.39	32	71.68	34	78.42	26	61.64	45
Hungary	76.36	33	87.56	45	73.00	41	71.72	33	78.11	29	68.83	20
Italy	75.85	34	92.77	18	71.82	49	69.25	39	75.95	35	62.95	41
Malta	75.66	35	87.49	47	73.31	37	72.09	31	73.22	50	63.13	39
Cuba	75.55	36	96.87	2	75.00	33	67.80	47	72.49	54	50.94	81
Armenia	75.39	37	87.49	48	69.96	56	68.76	43	81.84	11	74.01	5
Romania	74.99	38	87.30	51	72.42	42	69.01	42	77.47	31	68.18	25
Croatia	74.99	39	90.64	30	72.06	46	69.17	40	72.54	53	62.68	42
Slovak	74.94	40	85.01	60	72.36	43	71.13	35	76.58	33	65.36	33
Portugal	74.39	41	88.91	40	72.16	45	70.46	37	68.10	70	58.98	58
Malaysia	74.26	42	87.51	46	76.78	20	72.13	30	70.03	65	42.36	106
Bulgaria	73.66	43	78.49	83	73.26	40	70.21	38	80.27	19	69.43	19
Greece	73.64	44	88.43	42	71.18	51	68.33	45	71.42	56	60.37	53
Spain	72.79	45	87.31	50	69.07	60	68.35	44	71.06	59	58.02	63
Bahrain	72.69	46	90.11	33	66.47	70	69.08	41	69.33	68	51.35	79
Kyrgyz	72.35	47	83.64	67	74.44	35	65.13	52	75.58	37	65.01	35
Thailand	71.86	48	81.71	74	73.31	39	67.91	46	70.71	62	58.65	60
Philippines	71.75	49	81.41	75	71.01	54	66.62	49	74.46	42	65.34	34
Sri Lanka	71.69	50	91.44	23	67.12	65	62.34	66	72.91	51	63.47	37
Chile	71.45	51	83.17	70	73.31	38	64.60	54	74.55	41	61.50	47
Panama	71.18	52	79.64	80	72.02	47	66.16	50	75.27	38	63.44	38
Ecuador	70.84	53	85.57	58	76.25	23	60.58	76	73.49	48	61.75	43
Azerbaijan	70.72	54	83.18	68	61.65	87	66.66	48	78.85	24	60.93	50
Mongolia	70.71	55	87.42	49	66.84	67	63.19	63	73.64	46	59.81	56
Argentina	70.70	56	83.65	66	69.74	57	64.21	59	72.82	52	61.59	46
Serbia	70.54	57	88.22	43	65.17	75	64.67	53	70.00	66	54.91	69
Tajikistan	70.53	58	87.17	52	63.06	81	65.42	51	74.40	43	53.96	71

Table 1: Contd.,

Macedonia,	70.01	59	86.60	54	67.03	66	62.17	67	71.09	58	61.21	49
Uruguay	69.96	60	78.74	81	71.03	53	64.42	57	74.32	44	63.06	40
Barbados	69.78	61	95.92	3	55.62	108	63.96	60	63.30	82	50.71	83
Costa Rica	69.72	62	79.72	78	71.92	48	64.54	55	70.89	61	58.26	61
Moldova	69.67	63	82.97	71	68.83	62	62.95	65	73.51	47	58.69	59
Colombia	69.58	64	78.42	85	71.43	50	64.26	58	72.40	55	61.40	48
Mexico	69.25	65	82.03	73	68.60	63	63.60	62	69.35	67	58.06	62

(Cont'd.)

Table 2

Country	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Qatar	68.64	66	90.31	32	65.95	72	59.55	82	67.93	71	51.30	80
Jamaica	68.62	67	84.92	61	61.52	88	64.54	56	64.27	78	55.89	67
Vietnam	68.39	68	77.21	89	75.43	31	61.19	70	70.92	60	59.64	57
United Arab Emirates	68.25	69	89.84	35	60.84	90	61.75	68	67.29	73	47.90	89
Albania	68.23	70	90.03	34	62.03	85	59.46	83	67.45	72	55.83	68
China	67.81	71	82.80	72	69.55	58	63.79	61	61.61	87	43.38	100
Indonesia	67.61	72	84.08	63	68.51	64	60.83	73	63.66	80	51.57	77
Turkey	67.57	73	85.09	59	72.34	44	58.21	86	63.30	81	53.66	74
Trinidad and Tobago	67.04	74	86.42	55	60.80	91	61.72	69	62.90	84	48.83	86
Guyana	66.67	75	83.17	69	60.62	93	60.52	77	67.20	74	56.39	66
Mauritius	66.53	76	85.89	57	64.04	79	58.98	85	63.94	79	50.45	84
Bolivia	66.47	77	78.46	84	64.19	78	60.87	72	70.22	64	56.93	65
El Salvador	66.31	78	77.00	90	70.85	55	60.13	81	66.72	75	53.88	72
Peru	66.31	79	74.79	94	66.14	71	60.73	75	73.25	49	60.29	55
Dominican Republic	65.88	80	74.31	96	64.74	76	60.89	71	71.34	57	60.62	51
Jordan	64.70	81	86.26	56	65.27	74	55.91	94	56.65	101	47.41	91
Paraguay	64.62	82	70.50	102	64.63	77	60.23	80	70.44	63	61.72	44
Brazil	64.51	83	71.51	100	69.28	59	60.31	78	65.79	76	52.42	76
Ghana	64.26	84	75.28	93	60.65	92	60.77	74	65.64	77	52.42	75
Iran, Islamic Rep.	64.16	85	87.86	44	66.65	69	53.60	106	56.57	102	44.67	96
Egypt	63.72	86	80.25	77	62.41	83	58.09	87	62.62	85	43.17	101
Saudi Arabia	63.69	87	78.24	86	66.77	68	57.49	89	61.23	91	44.95	95
South Africa	62.97	88	73.89	97	59.47	95	63.08	64	62.42	86	35.43	117
Venezuela	62.94	89	77.00	91	65.45	73	56.80	90	60.87	94	46.22	94
Zambia	62.06	90	68.06	108	61.94	86	60.29	79	63.17	83	50.93	82
Bhutan	61.83	91	81.09	76	57.46	102	56.52	91	53.50	109	44.63	97
Cameroon	61.64	92	70.28	104	60.95	89	59.30	84	61.10	92	47.81	90
Honduras	61.60	93	75.96	92	63.28	80	54.18	101	61.53	89	49.87	85
Guatemala	61.07	94	68.57	107	68.96	61	54.56	99	61.46	90	53.73	73
Nicaragua	60.60	95	69.10	106	55.25	110	56.07	93	69.28	69	57.74	64
Botswana	60.50	96	78.69	82	57.23	103	55.29	97	54.08	108	42.06	107
Kuwait	60.27	97	83.82	65	51.79	115	52.83	108	57.19	99	42.68	105
Morocco	59.65	98	77.36	88	57.10	104	51.88	113	58.60	97	48.38	88
Uganda	59.28	99	65.06	119	62.78	82	57.97	88	60.27	95	39.54	111
Cambodia	58.88	100	69.44	105	55.60	109	55.38	96	59.81	96	48.41	87
Tunisia	58.24	101	83.89	64	58.21	98	48.55	115	48.19	118	35.82	116
Kenya	57.90	102	67.94	109	54.64	113	56.47	92	56.75	100	40.94	108
Namibia	57.90	103	71.04	101	47.03	125	53.80	104	61.58	88	54.37	70
Bangladesh	57.84	104	77.88	87	58.16	99	47.21	122	57.58	98	46.92	92
India	57.73	105	84.91	62	56.46	106	48.11	119	46.48	120	33.74	119
Lao PDR	57.66	106	73.81	98	58.92	96	53.74	105	49.05	116	32.62	122

Table 2: Contd.,												
Gabon	57.48	107	72.79	99	50.67	119	52.61	109	61.05	93	42.92	103
Nepal	57.35	108	74.56	95	62.11	84	52.51	110	44.53	124	30.86	123
Myanmar	56.52	109	67.80	110	56.27	107	53.18	107	54.70	107	39.77	110
Rwanda	56.27	110	66.93	113	58.47	97	55.06	98	46.84	119	34.02	118
Haiti	56.24	111	65.54	116	57.91	100	53.83	103	51.32	111	40.59	109
Madagascar	56.17	112	63.98	120	55.19	111	54.04	102	56.16	104	43.98	98
Benin	55.38	113	66.34	114	51.39	116	55.53	95	52.69	110	30.68	124
Malawi	54.64	114	57.50	127	51.36	117	54.52	100	55.81	106	51.38	78
Mozambique	53.64	115	61.72	123	52.93	114	51.36	114	51.07	112	43.47	99
Tanzania	53.56	116	53.03	129	59.87	94	52.29	111	55.99	105	46.59	93
Algeria	53.22	117	79.67	79	55.04	112	44.36	126	43.65	125	19.94	129
Pakistan	53.10	118	67.16	112	51.29	118	48.15	118	50.85	113	39.13	112
Ethiopia	53.02	119	65.25	118	57.75	101	46.38	124	48.52	117	42.74	104
Burkina Faso	52.11	120	62.28	122	46.82	126	51.91	112	46.25	121	37.51	114
Lesotho	51.62	121	67.56	111	49.95	120	47.88	120	41.33	127	33.73	120
Senegal	51.49	122	63.90	121	44.22	129	48.45	116	50.36	114	42.97	102
Côte d'Ivoire	50.34	123	65.30	117	49.04	122	47.62	121	41.34	126	28.49	125
Burundi	50.17	124	65.57	115	48.81	123	44.23	127	56.25	103	27.40	127
Guinea	50.17	125	58.16	126	47.82	124	48.43	117	50.12	115	38.17	113
Mali	49.37	126	61.66	124	49.89	121	44.83	125	44.98	123	36.57	115
Nigeria	48.86	127	53.19	128	56.58	105	46.96	123	45.71	122	32.62	121
Chad	44.23	128	52.03	130	44.38	128	43.96	128	37.28	128	27.87	126
Yemen	42.98	129	70.40	103	45.36	127	33.25	130	25.82	130	17.79	130
Mauritania	42.33	130	59.57	125	38.85	130	38.02	129	34.54	129	24.21	128

(Source: World Economic Forum Human Capital Report 2016)

When compared from the last year 2015, there existed a lot of additions and dropouts in the ranking of various countries in HCIR, 2016. From the above table it clearly indicates the domination in rankings is primarily from the smaller European Countries especially Nordics and Benelux states, with two states from East Asia and Pacific region and one country from North America region also making the cut. The leaders in the HCIR were obviously the High income Economies that have placed much investment on Education and Skill enhancements. The top three countries remains unchanged when compared to last year 2015 and the countries remained in the same position are Norway, Switzerland and Finland. If, we analyze why they have remained unchanged is because the effective development of utilization of Human Capital in all the four 4 key parameters indicated above for any Nation's Development.

In the second successive year also Country Finland stood first because it has succeeded in leveraging its human capital especially in 0-54 age group pillars. The main reason is that at Finland highest priority is given for well-designed education system and best young youth available and highest survival rate.

And, coming to the next **Norway (2) ND** position and the main strength of this country is the highest Employment provider in the Western European Region primarily between the Age-Group 25-54 considered as the prime-working group in Norway. And in the 3rd ranking Switzerland occupies the better stand in the terms of human capital because of its strong primary school education, vocational skills training for their youth, and very low level of un-employment. And, in the 4th ranking Japan has occupied and also improved one rank, previously stood at 5th rank. The strong reason is because too effective usage and high performances from 55-64 age group pillars. The strong reason particularly in that age group is due to older population rather than younger one and this country is also regarded as the highest living ratio when compared to other countries across the Globe.

The remaining Countries in the next successive ranks were: Sweden (5), New-Zealand (6), Denmark (7), Netherlands (8), Canada (9) and Belgium (10) respectively. And, the strong reason for their best rankings consistently is strong age-pillars, best educational system and high importance was given to continuous development and skill up-gradation according to the Global requirements.

RESULTS BY REGION WISE

From the HCI-INDEX (2016)

revealed that majority of the countries are highly tapping the potentialities and utilizing their manpower, but out of all the countries shown in the index, only a very fewer portion that is 19 nations are fully utilizing the human capital potentiality, and 40 countries are utilizing only 70 to 80%, and 38 countries lies in between 60 to 70%, and 28 countries are utilizing 50 to 60%, and a very fewer proportion of countries are not fully tapping the human potentiality that is below 50%, can be regarded as the under-developed countries.

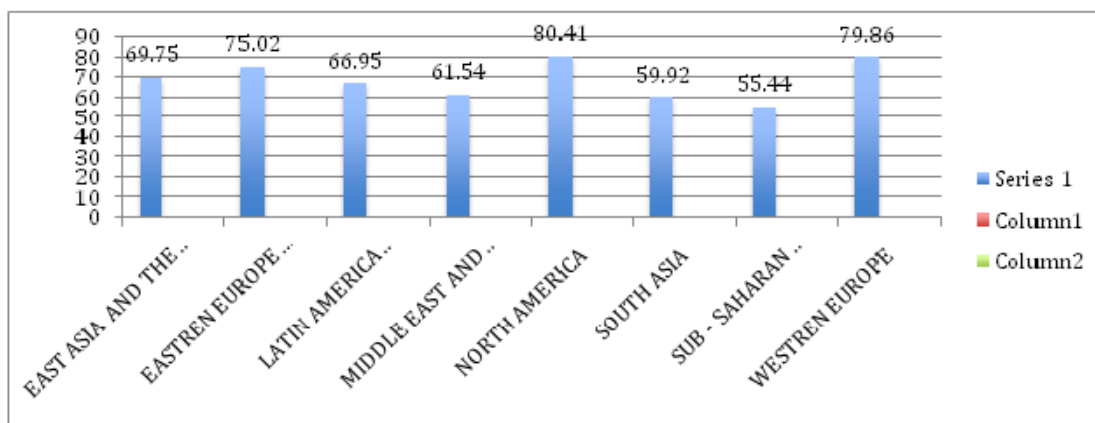
The Regions in the study are as follows: 1. East Asia and Pacific 2. Eastern Europe and Central Asia 3. Latin America and Caribbean 4. Middle East and North Africa 5. North – America 6. South Asia 7. Sub – Saharan Africa 8. Western – Europe. The complete details of the region wise results is very exhaustive so only the key – data about each region is presented.

- When coming to the 1st region where half of the countries in this region has achieved near – primary school enrolment, 0-14 age group is not enrolled secondary school education, 25 – 54 age group is the core skilled working group and the average labour force participation rate is in around 83%. The best performing countries in this region are 4, 13, 32, 42, 49, 71, 100, 106 & 109 respectively.
- In the 2nd region it covers nearly 22 countries at an overall average score of 75.02. Majority of the countries in this region has achieved near universal basic – education but however the some countries like Moldova(63) & Albania(70) is still lagging because of the issues due to child – labour. The best performing countries in this region are: 15, 16, 25, 26, 28, 29, & 30.
- In this 3rd region there are 24 countries where the overall score is in the middle range in the index with an overall average score of 66.95. Many countries in this region has not enrolled universal primary school enrollment and there exists a huge youth un-employment. The better performing countries in this region are Chile (51), Argentina (56) and Brazil (83). From the index in this region the bottom rank is occupied by Venezuela (89), and Honduras (93) respectively, because of bonded child labour, no proper primary education and poor economic development.
- The 4th region comprises of 15 countries and Israel (23) makes top into the 30 of the Index. The gulf states Bahrain (46), Qatar (66), and the United Arab Emirates (69) outperform the rest of the region in terms of making the best use of their human capital potential and the countries like The North African nations Morocco (98), Tunisia (101) and Algeria (117) make up the lower end of the regional rankings, ahead of Yemen (129) and Mauritania (130).
- The 5th region with an average score of 80.41, North America is the strongest regional performer on the Human Capital Index, with Canada (9) ranking in the top 10. The United States(24) lags behind its northern neighbor on the 0–14 Age Group pillar, revealing relative weaknesses in primary and secondary enrolment rates and the quality of primary education. However, the United States also records an impressive tertiary enrolment rate (4th globally). In both Canada and the United States this trend is a continuation of the high proportion of those who have already

attained tertiary education across the older age groups.

- In the 6th region the Index includes 6 countries such as Srilanka, Bhutan, Bangladesh, India, Nepal and Pakistan Respectively and the overall average score is very low when compared to other regions that is only 59.92. When compared to other countries in this south Asian region India and only Bangladesh has tapped the Human Potenality effectively because of goof primary school education, vocational training and skills up gradation. The main advantage for both these countries is that they have a strong youth working force. At, the bottom in this region is Pakistan is because of very poor education, low skill development and terrorism based activities.
- The next 7th in the HCI-Index rankings is the Sub-Saharan and the countries included are Mauritius, Ghana, and South-Africa, Zambia respectively. The total countries falls in this region are 29 covering upper middle-income group (5), lower middle-income group (8), and low income-group (13) countries respectively. The basic problem that these countries as a whole facing are non-utilization of Human Potenality in all the above-indicated key 4 parameters.
- The 8th Region comprises of the countries with the better average score, and the countries includes Finland, Norway, Sweden, Denmark, Netherland, Belgium and Switzerland respectively. All these Countries very strong in their primary school education, skills up gradation among the workforce and stable employment opportunities. And, the remaining countries in this region includes Germany (11), France (17) and the United Kingdom make up the mid-range of the regional league table, and the Mediterranean countries—Italy (34), Portugal (41), Greece (44) and Spain (45) the bottom ranks. The overall average score of the region is 79.86.

Note: The numbers indicates represents the rankings of the countries presented in the above table.



Graph 1: The following graph illustrates the Region wise average scores obtained

(Source: World Economic Forum Report 2016)

So, from the above analysis it is very clear that at the Global level nearly 35% of the Human Capital Potential were un-developed due to lack of proper educational system and poor skill up-gradation. So, it is evident that majority of the countries lies in the bottom of HCI-Index because poor primary education, lack of skills up gradation, low employment, development and GDP. To, overcome this scenario the countries with the lower average score has to continuously invest in the basic fruits like better education, health, skills up gradation, and linking the workforce with better innovations, technological advancements and innovations.

Coming to the India's overall position in the Human Capital Index for the year (2016) is around 105th ranking when compared to other countries. Even though the Country's progressive rate in all sectors is very bright but still India when compared to other emerging economies is very low in the case Educational attainments in rural areas, very poor labour participation rate because of under-employment even though ranks 1st in the youth participation rate across the Globe.

Note: Among **BRICS** countries, India is ranked lowest as against Russia's 28th, China's 71st, Brazil's 83rd and South Africa's 88th.

So, basing on the above stastics reveled by **HCI – 2016**, most of the organizations are not finding skilled manpower readily available to cater their needs. As, there exists a huge Employment opportunities globally but the companies are not finding the right candidate for the job existed because of the numerous reasons indicated above as per the region wise. So to face the cutthroat competition in this competitive world organizations are re-shaping themselves by transforming them to technological linkages, and changing as per the customer, market and their competitor's actions. Because changing according to the environmental influences has to be adopted otherwise irrespective of the size of the company has to be wiped off. That is the reason why most of the organizations are re-shaping themselves and the following discusses the **Global Human Capital Trends (2016)** from the organization point of view.

As, Per the Global Human Capital Trends Report (2016)

prepared by Deloitte University Press by surveying 7000 responses over 130 countries around the Globe. The survey is largely collected the responses relating to the specific talent challenges facing by the organizations across the selected countries. And, as per the responses the top 10 Human Capital Trends for the year 2016 were discussed below. And the following figure indicates the top trends.

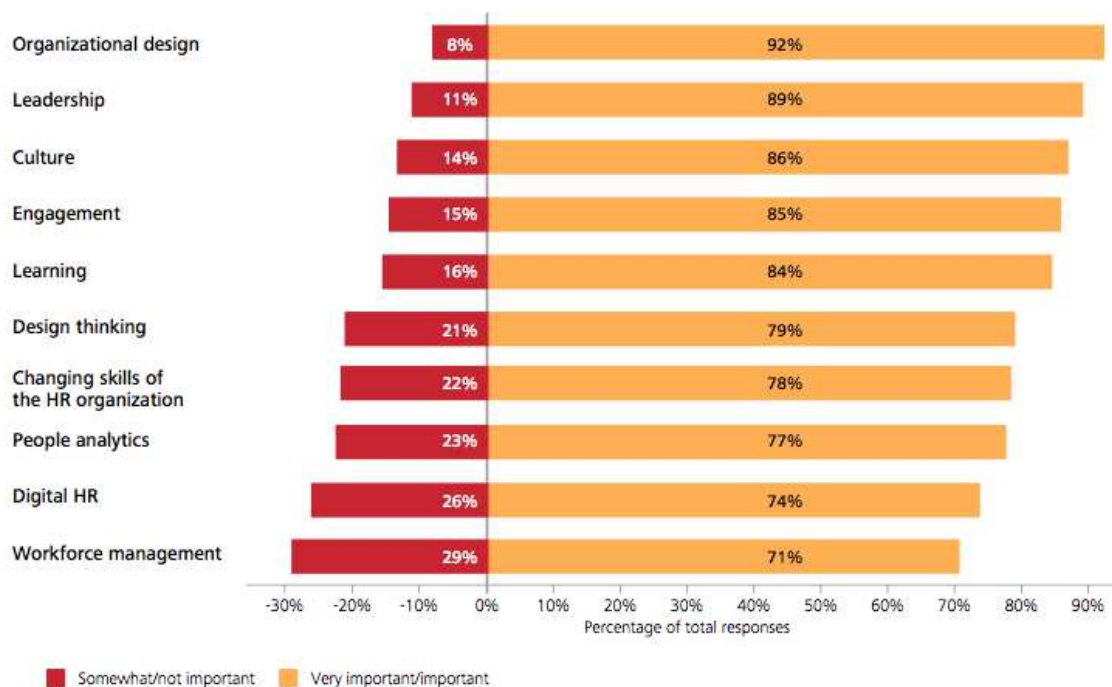


Figure 1: The Top 10 Human Capital Trends for the Year 2016.

(Source: Deloitte University Press.)

1st Trend: Organizational Design and According To the Centre for Organizational Design (2015)

the Transformation Model is the framework we use to help leaders understand their organizations and also guide a successful redesign. In this competitive era to sustain organizations has to build better and stable workforce. To achieve this organization has to reshape or re-design themselves. The above indicated transformation model gives a better view how best fit alignment can be made within the organizational elements. This model considers mainly 8 elements for better design of the organizations as the key. The following figure gives us a better understanding of the model discussed above.

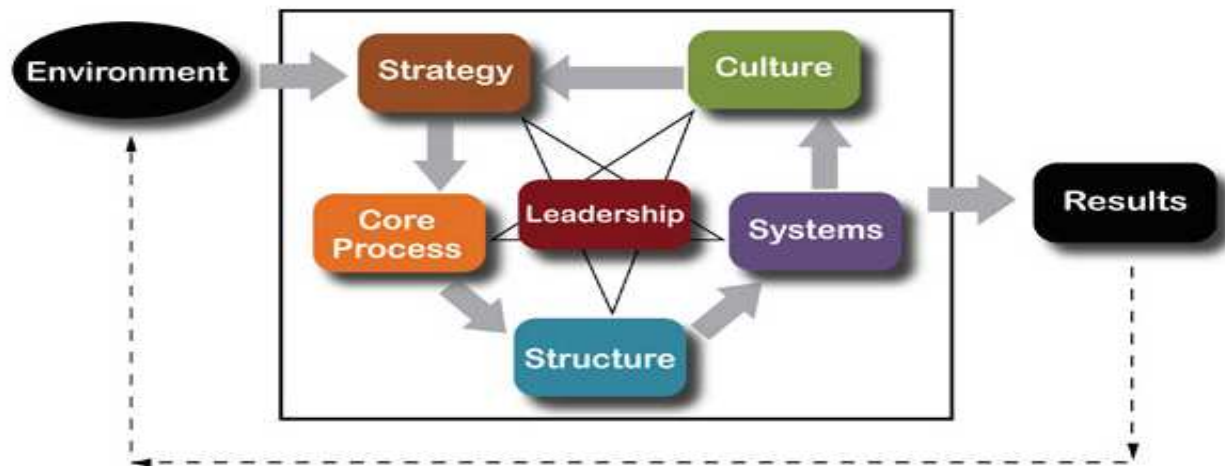


Figure 2: The Transformational Model

(Source: The center for organizational design, 2015)

2nd Trend: Leadership

According to Global HCT (2016)

Fully 89 percent of executives in this year's survey rated the need to strengthen, reengineer, and improve organizational leadership as an important priority. In present scenario in majority of the organization the transformation of leadership is given top priority but the crucial scene is here to select the style of leadership, abilities and overall performance. In the article published in **Harvard Business Review (2005)** issue, it is discussed there are seven ways of styles used for leading: The Opportunist, The Diplomat, The Expert, The Achiever, The Individualist, The Strategist, and The Alchemist.

According to HBR (2005)

The major success indicator in leading the organization is the style of Leadership. Not all the managers can be effective leaders, it is the one who inspires the team to achieve the organizational goals, and not only that understanding and adding value to the team and organization is viewed critical. The style of leadership control may differ from person to person or organization to another but taking decisions and acting according to the team is key success indicator. In, many of the organizations majority of the leaders acts as individualist rather than a strategist thinker.

3rd Trend: Culture

According to the Power of Culture Transformation Report (2005)

Culture mainly defines the way the things work around in organizations and the biggest problem where most of

the organizations failed is linking people to cultures. The key here to be considered whether the culture is linked with the overall organizational strategy or not otherwise it leads to the collapse of the organizations. Because, it is the culture which re-defines and transforms the organizations into high performers. For-Example: Google, Apple.

4th Trend: Engagement

According to HBR Analytic Report (2013)

Majority of the companies face problems in engaging their employees productively. To quote an example: Google is one of the companies, which has successfully engaged its work force effectively by giving Innovators awards. If, any of the employee came up with an innovate idea it is sent to the R&D department tested, if it is productive a certain share is given to that employee. Companies cannot effectively engage their employees not only by designing effective compensation packages but also enriching their jobs.

5th Trend: Learning:

According to the HCT-Report (2016) Nearly

84 percent of executives rated learning as important or very important. Majority of the companies are preferring MOOCS (Massive open online courses) for learning purpose. **As per the Nazmeen Sultana (2014)** majority of the organizations across the globe are intended to incorporate E- Learning as one of their training methods.

6th Trend: Design Thinking:

According to Katy Norris, Sivak and Lauren (2017)

A vast majority of the organizations across the globe is responding to disruptions that are impacting simultaneously on work-force, customer service and internal functionality. To overcome this the HR- Leaders has to properly linkage the company's business strategy, work performance and Human Resources effectively.

7th Trend: Hr: Growing towards to a New Momentum:

According to Karen E. May (2016)

The face of HR inside the organizations is evolving from time to time. Majority of the companies are now employing the people with strategic thinking, how they can transform or create better businesses. Companies are not worried of giving high compensation packages they are worried in leading and how to sustain in this competitive markets and there by creating a stabilized workforce which can cater the needs of present and future goals of an organization successfully.

8th Trend: People Analytics:

According to the Global Human Capital Trends Report (2016)

Now-a-days majority of decisions are taken basing on the human generated data only. In olden days the guess work is used in managing the people those days are gone everything depends on the data only starting from recruitment to appraising the performances of the employees in organizations

The following figure illustrates the transformation of companies in gaining the importance of People Analytics.

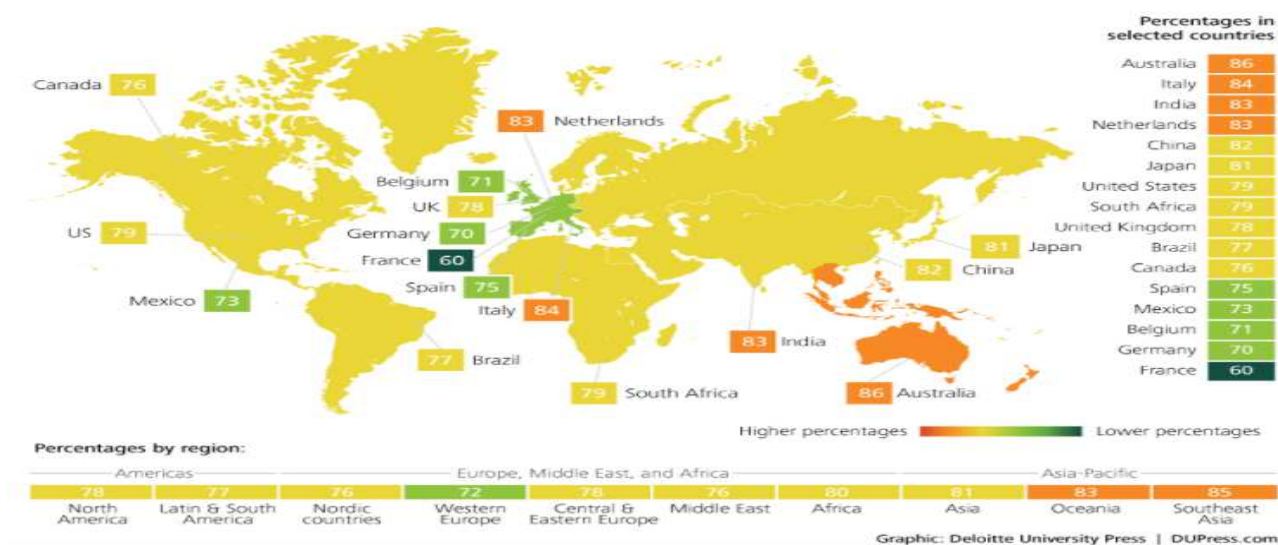


Figure 3: Percentage of the Respondents Rating This Trend As Important One.

(Source: Deloitte University Press)

9th Trend: Digital HR: Automation, Employment and Productivity:

According to MC Kinsey & Company Report (2017)

Automation is an idea that has mostly inspired science fiction writers and Hollywood based movies, writers and futurologists over a period of century. Now automation is no longer viewed as an fiction, where across the globe majority of the companies are using robots in the production process, managing inventories and to carry out the other core business functions. Due, to this Automation process there also exists some benefits like reducing the wastage, changing the pace and scope of work processes etc., and on the negative side the disadvantage is the cut in huge employment across various sectors across the globe. Automation of activities will enable businesses to improve performance, by reducing errors and improving quality and speed, and in some cases achieving outcomes that go beyond human capabilities.

The following figure illustrates the differences in automation in between these two developing neighboring countries.

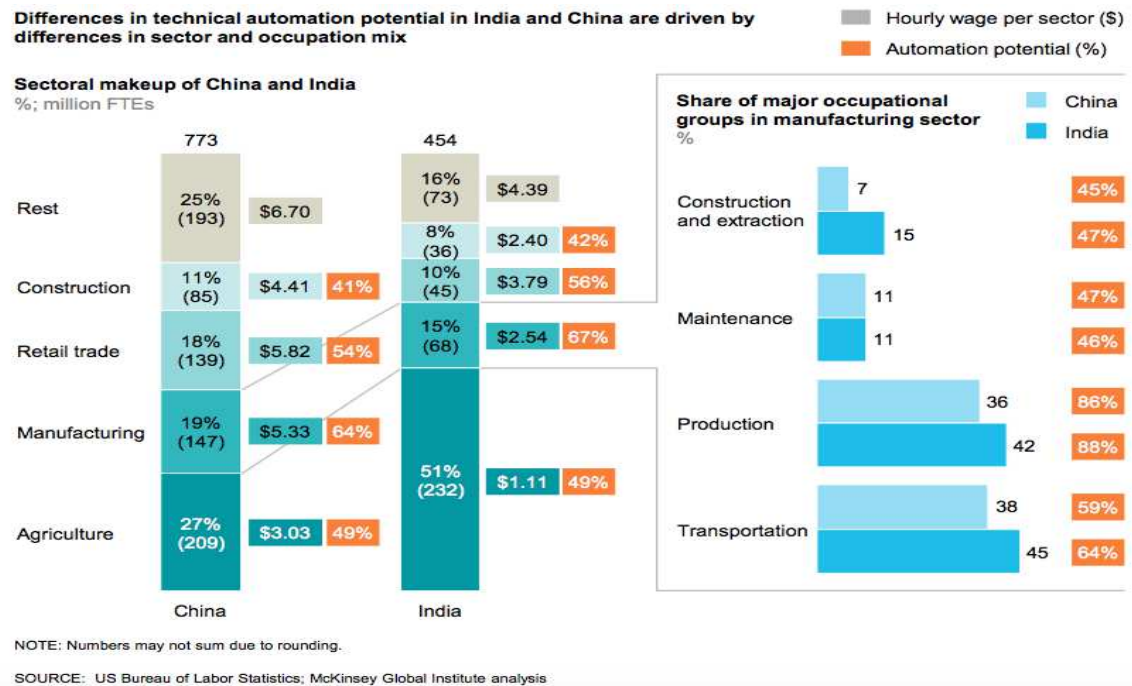


Figure 4: Shows the Differences in Automation Between India and China.

Two examples illustrate these differences. The first is China and India. With the world's largest workforces, they have similar automation potential and dynamics overall: both have technical automation potential of 50 percent. Both these countries have similar comparisons in the terms of Agriculture, Manufacturing, and Retail etc. But, coming to the automation between these 2 countries China has an upper hand in almost all the sectors when compared to India. Even though in India also automations are taking place when compared to China is a lower pace. Within the sectors, the essential differences result from varying types of job families. For example, India has more welders and sewing machine operators engaged in manufacturing production than China, and both of these job families have a higher automation potential than many other types of jobs, such as managing and developing people, and specialized expert technicians. At the same time, India has a lower proportion of jobs requiring interactions with stakeholders and managing and developing people, activities with low automation potential.

CONCLUSIONS

As per the study conducted, which is purely secondary in nature, mainly focuses on the Human Capital Index Report, 2016 that concluded that majority of the countries are very poor at Primary school education rates, especially the African nations. Even though India has a strong youth working force still they are not employed due to lack of proper skill up gradation. In, Global scenario nearly 35% of the Human Potential remains underdeveloped, due to various issues in respect to individual Country wise. Some of the basic problems like Primary Education, Skill up gradation to the youth, Employment creation must be addressed. If, we carefully analyze the HCI-Index(2016), the differences between the highest average score and lowest average score countries the low performances in the key 4 parameters selected in between various age-groups.

And, finally Businesses whether traditional or new will need to be a part of designing a new social contract, including re-thinking their role as a consumer of 'ready-made' human capital. Companies will need to rethink jobs as bundles of skills and invest in the lifelong learning, re-skilling and up-skilling of their present employees in addition to

working closely with education systems to support the development of both general and specialized employability skills.

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APPENDICES

APPENDIX

Survey Demographics of the Human Capital Trends Report, 2016

SELECTED data from this year’s survey can be viewed by geography, company size, and industry using an interactive tool, the Human Capital Trends Dashboard.

- Importance of Challenges in Different Regions.
- Importance of Challenges in Different Industries.
- Survey Demographics.



Note: Figures represent the percentage of respondents who rated each issue "important" or "very important."

Figure 5: Importance of Challenges in Different Regions

Source: (Global Human Capital Trends -2016)

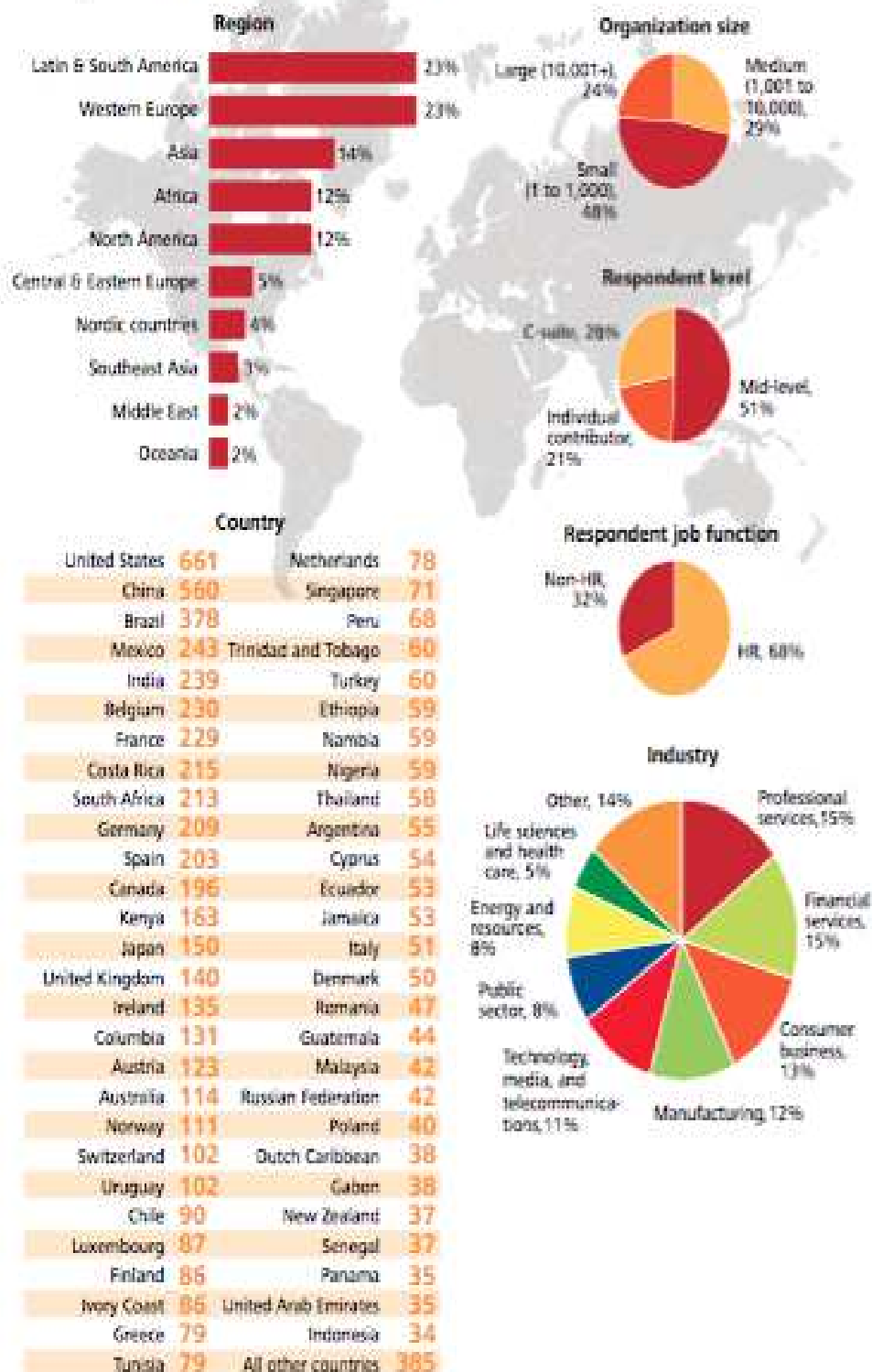


Note: Figures represent the percentage of respondents who rated each issue "important" or "very important."

Figure 6: Importance of Challenges in Different Industries

Source: (Global Human Capital Trends -2016)

Our survey includes data from 7,096 business and HR leaders.



Figures may not total 100 percent due to rounding.
Source: Data from Human Capital Trends 2016 survey.

Graphic: Deloitte University Press | DUpres.com

Figure 7: Survey Demographics

Source: (Global Human Capital Trends -2016)